

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	HB3351
Version:	CS
Request Number:	10442
Author:	McEntire
Date:	3/4/2024
Impact:	No Impact

Research Analysis

The committee substitute to House Bill 3351 establishes a tax credit for faculty preceptors, including allopathic physicians, osteopathic physicians, advanced practical registered nurses, and physician assistants, who conduct preceptorship rotations for medical students, residents, advanced practical registered nurses, and physician assistant students. The tax credit, applicable from 2025 to 2034, allows faculty preceptors to claim credits for up to ten preceptorship rotations per calendar year. The credit amounts vary for medical students, residents, advanced practical registered nurses, and physician assistant students. The State Boards of Medical Licensure and Supervision and Osteopathic Examiners are responsible for awarding the credits, and funds for the tax credits are generated from reserved portions of licensure fees. The measure includes provisions for carrying over unused credits, claiming the credit, and submitting information to the Oklahoma Tax Commission. Additionally, the measure establishes revolving funds for each board to manage the funds.

Prepared By: Matthew Brenchley

Fiscal Analysis

In its current form, HB3351 allows a faculty preceptor to claim a tax credit for up to 10 preceptorship rotations completed in a calendar year. The measure also creates a number of revolving funds in the State Treasury.

The committee substitute is not expected to change the fiscal impact of the bill.

Analysis from the Oklahoma Tax Commission:

There will be no impact to income tax revenue because the proposed credit will be completely funded by a portion of annual licensure fees collected by the State Board of Medical Licensure and Supervision ("Medical Board"),¹ the Oklahoma Board of Osteopathic Examiners ("Osteopathic Board")² and the State Board of Nursing ("Nursing Board").³

Effective for tax years 2025 – 2034, a faculty preceptor may claim a credit for up to 10 preceptorship rotations completed in a calendar year. The annual credit amount may vary depending on the preceptor's occupation and the number of completed rotations, as detailed in Table 1. The credit is nonrefundable and may be carried over to five subsequent tax years.

Rotation Number	Medical Student or Resident	Physician Assistant or Advanced Practical Registered Nurse
1	\$ 500	\$ 375
2	500	375
3	500	375
4	1,000	750
5	1,000	750
6	1,000	750
7	1,000	750
8	1,000	750
9	1,000	750
10	1,000	750
Total Allowable Credits	\$ 8,500	\$ 6,375

HB 3351 further proposes to create in the State Treasury the following revolving funds:

- **Physician Preceptor Tax Credit Revolving Fund**
 - The Medical Board will reserve \$5.00 of every annual licensure fee received from allopathic physicians and will deposit the sum to provide funding for the proposed credit.
- **Physician Assistant Preceptor Tax Credit Revolving Fund**
 - The Medical Board will reserve \$2.00 of every annual licensure fee received from physician assistants and will deposit the sum to provide funding for the proposed credit.
- **Osteopathic Physician Preceptor Tax Credit Revolving Fund**
 - The Osteopathic Board will reserve \$5.00 of every annual licensure fee received from Osteopath Physicians and will deposit the sum to provide funding for the proposed credit.
- **Advanced Practice Registered Nurses Preceptor Tax Credit Revolving Fund**
 - The Nursing Board will reserve \$2.00 of every annual licensure fee received from advanced practical registered nurses (APRN) and will deposit the sum to provide funding for the proposed credit.

Credits awarded for qualified preceptorship rotations will not exceed the amounts deposited during the fiscal year ending on the June 30th date immediately preceding the January 1st date upon which the applicable tax year begins. All monies accruing to each Fund are appropriated, and the Funds will be used to make a transfer payment to the OTC in an amount equal to credits awarded. The OTC will apportion monies transferred from each Fund in the same manner as individual income tax collections are apportioned.

Prepared By: Zach Penrod

Other Considerations

None.

